

For Immediate Release:

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The NYISO and Market Participants Agree on Comprehensive Planning Process to Meet Reliability

Development of a Formal 10-Year Plan to Follow.

(Guilderland, N.Y.) – The Board of Directors of the New York Independent System Operator (NYISO) has approved Phase I of a comprehensive planning process developed by the NYISO and its stakeholders.

The Comprehensive Planning Process for Reliability Needs establishes a roadmap by which the NYISO, with input from its stakeholders, including Transmission Owners (TOs), Generators, developers of merchant transmission and demand response resources and the New York State Public Service Commission (PSC) will identify and resolve reliability issues affecting the New York electric system for the next decade. The next phase of the planning process will include the development of a 10-year comprehensive plan.

The NYISO filed the tariff change Friday with the Federal Energy Regulatory Commission (FERC), which has called on all independent system operators (ISOs) and regional transmission organizations (RTOs) to develop formal, long-range planning procedures.

“The approval of this roadmap is a significant step in ensuring that New Yorkers continue to benefit from a bulk electric system that is safe and reliable,” said William J. Museler, President and CEO of the NYISO. “I commend our Market Participants, the PSC and NYISO staff for their dedication to this project and for their anticipated support as we move to develop the first Comprehensive Reliability Plan.”

The NYISO’s two primary charges are to run fair and efficient electric markets and to ensure a safe and reliable electric system for New Yorkers. Under the proposed process, the Transmission Owners will undertake the development and construction of regulated projects that the NYISO has determined are required to meet the reliability needs identified in the Comprehensive Reliability Plan, but only if there are no viable market-based solutions. The process also allows for merchant solutions to address reliability needs.

The NYISO already carries out a broad range of near-term planning and reliability functions in coordination with neighboring control areas and in conjunction with the North American Electric Reliability Council, the Northeast Power Coordinating Council and the New York State Reliability Council.

View all related documents at www.nyiso.com.

The New York Independent System Operator (NYISO) – www.nyiso.com – is a not-for-profit corporation established in 1999 to facilitate the restructuring of New York State’s electric industry. Based in New York’s Capital Region, in addition to administering the state’s wholesale energy markets, the NYISO operates the state’s high voltage electric transmission system. The NYISO’s market volume was nearly \$7 billion in 2003.